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Viewing cable 06BOGOTA10197, UPDATE ON DRUMMOND GAS DISCOVERY

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Understanding cables

Every cable message consists of three parts:

- The top box shows each cables unique reference number, when and by whom it originally was sent, and what its initial classification was.
- The middle box contains the header information that is associated with the cable. It includes information about the receiver(s) as well as a general subject.
- The bottom box presents the body of the cable. The opening can contain a more specific subject, references to other cables ([browse by origin](#) to find them) or additional comment. This is followed by the main contents of the cable: a summary, a collection of specific topics and a comment section.

To understand the justification used for the classification of each cable, please use this [WikiSource](#) article as reference.

Discussing cables

If you find meaningful or important information in a cable, please link directly to its unique reference number. Linking to a specific paragraph in the body of a cable is also possible by copying the appropriate link (to be found at the paragraph symbol). Please mark messages for social networking services like Twitter with the hash tags **#cablegate** and a hash containing the reference ID e.g. **#06BOGOTA10197**.

Reference ID	Created	Released	Classification	Origin
06BOGOTA10197	2006-11-01 22:09	2011-08-30 01:44	CONFIDENTIAL	Embassy Bogota

Appears in these articles:

<http://www.elespectador.com/wikileaks>

VZCZCXYZ0000
PP RUEHWEB

DE RUEHBO #0197 3052209
ZNY CCCCC ZZH
P 012209Z NOV 06
FM AMEMBASSY BOGOTA
TO RUEHC/SECSTATE WASHDC PRIORITY 0424
INFO RUEHCV/AMEMBASSY CARACAS 8407
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RHMFISS/DEPT OF ENERGY WASHINGTON DC

C O N F I D E N T I A L BOGOTA 010197

SIPDIS

SIPDIS

E.O. 12958: DECL: 11/01/2016
TAGS: [ENRG](#) [EINV](#) [VE](#) [CO](#)
SUBJECT: UPDATE ON DRUMMOND GAS DISCOVERY

REF: BOGOTA 7731

Classified By: CDA MILTON DRUCKER FOR REASONS 1.4(B) AND (D)

1 (C) The President of Drummond Coal Colombia, Augusto Jimenez recently met with embassy officials to give an update on Drummond gas and coal projects in Colombia. He also

discussed expanding the La Loma/Santa Marta coal railway.

2.(C) Drummond plans to start extracting natural gas (reftel) at the end of 2007 or early 2008 in La Loma. Drummond currently has a 200 MW power plant that feeds the national electric grid. They plan to power their own extensive mining operation and sell electricity to the national grid for distribution. The company is also discussing a joint venture with ISAGEN (Colombia's largest electric company) to build a 500MW power station in La Loma using La Loma gas and to generate electricity via an ISAGEN transmission line to Bogota. This is Drummond's preferred option. Drummond's alternative plans -- should the ISAGEN arrangement not materialize -- include exploring gas liquification for export or exporting to Venezuela through the Ecopetrol pipeline.

13. (C) Drummond also has exploration rights in La Guajira, with preliminary data showing potential for up to 3 trillion cubic feet of gas, and is engaged in a joint venture with Ecopetrol for natural gas exploration in Sogamoso on the Boyaca plateau, with a potential of 9 trillion cubic feet in gas deposits.

14. (C) Drummond's primary business in Colombia remains coal. Jimenez estimates 2006 coal exports will reach 22 million tons (vice 26 million tons planned until Drummond was hit by a lengthy strike). Next year they plan to export 30 million tons of coal (mainly to the United States). Drummond estimates that between the La Loma mine and the soon to be opened El Descanso mine (in La Guajira) they have coal reserves of 2.2 billion tons.

15. (C) Drummond has purchased and rehabilitated the rail line from its La Loma mine to its private port in Santa Marta. This has increased the cargo capacity for coal from 20 to 35 million tons annually. Drummond is building a second parallel track on the same right of way. When completed in 2008/2009, coal cargo capacity will increase to 80 million tons per annum. Drummond is also involved in rehabilitating the Santa Marta/La Dorada line for the GOC for a fee (not disclosed by Jimenez). The La Dorada line would follow the Magdalena River to an area some 120 kilometers from Bogota by air, but several thousand feet below Bogota in elevation.

16. (C) Jimenez also raised concerns over the future of the Santa Marta port. He reported that the GOC wants to consolidate the coal ports in Santa Marta into one central area to make the area more compatible with tourist development. Jimenez claims that he has data to demonstrate that environmental damage occasioned by the port is minimal, and that the existence of the port is compatible with the area's tourism vision. Emboffssuggested Jimenez take the environmental concerns seriously, and for Drummond to take a forward-leaning posture in demonstrating their activities are consistent with tourist development since the potential for politically motivated accusations would be real regardless of Drummond's scientific evidence. .

DRUCKER

=====CABLE ENDS=====